

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 579 - SB 664

March 16, 2023

SUMMARY OF BILL: Expands eligibility to receive certain benefits to emergency services personnel, call takers, and dispatchers. Requires, by January 1, 2024, emergency communication districts (ECDs) with fewer than 300 dispatchers employed by all public safety answering points in the ECD to utilize a direct dispatch method for all emergency 911 calls, with all remaining ECDs required to utilize direct dispatch by July 1, 2025.

FISCAL IMPACT:

Increase Local Expenditures –

Exceeds \$2,468,800/FY23-24*

Exceeds \$2,865,700/FY24-25*

Exceeds \$2,897,300/FY25-26 and Subsequent Years*

Other Fiscal Impact – Emergency communication districts would be required to assume all of the cost of operating emergency 911 systems that is currently assumed by other local governments. It is estimated that beginning in FY23-24, there would be a recurring shift in local expenditures of \$72,830,800 from local governments to emergency communications districts.

Assumptions relative to benefits:

- Relative to benefits provided to dispatchers, the proposed legislation:
 - Extends civil liability immunity to dispatchers;
 - Provides certain health insurance benefits to the surviving spouse and children of paid, full-time state and locally employed dispatchers who are killed in the line of duty for up to two years. All such benefits would be reimbursed or paid by the state.
- This analysis assumes that civil liability immunity would currently apply to dispatchers under the Government Tort Liability Act; therefore, any increase in state and local expenditures is considered not significant.
- Tennessee Code Annotated § 8-24-404 establishes continued health insurance coverage for surviving family members of full-time first responders who are employed by local governments if: (1) the local government provides health insurance benefits to first responders, not under the state plan; and (2) elects to provide the continued health insurance coverage for first responders who are killed in the line of duty. The state is required to reimburse the applicable local government for any benefits paid under this statute.

- The proposed language would expand this benefit to include dispatchers who are killed in the line of duty.
- The instances of occurrence for this benefit being paid under these circumstances are estimated to be rare; therefore, any fiscal impact to state and local government is estimated to be not significant.
- Tennessee Code Annotated § 8-27-210 establishes continued health insurance coverage for surviving family members of full-time state and locally employed first responders killed in the line of duty, if approved by the State Insurance Committee. Based on information provided by the Department of Finance & Administration, such benefits have not been approved; therefore, any increase in state expenditures is considered not significant.

Assumptions relative to direct dispatch:

- Pursuant to Tenn. Code Ann. § 7-86-103 there are three methods of relaying emergency calls to the proper emergency services unit. They are as follows:
 - The direct dispatch method (DDM), once an emergency call is received, provides for the dispatch of appropriate emergency service units and a decision as to the proper action is taken;
 - The relay method, once an emergency call is received, notes the pertinent information of the caller and relays the information to the right agency for dispatch of an emergency unit; and
 - The transfer method, once an emergency call is received, directly transfers the call to the appropriate public safety agency or provider of emergency services.
- Based on information provided by the Department of Commerce and Insurance (DCI):
 - There are 54 ECDs that utilize a method other than DDM;
 - All but one of such ECDs have fewer than 300 employees;
 - All such ECDs will experience a one-time increase in expenditures associated with installation of infrastructure and recurring costs associated with service and maintenance;
 - One ECD currently transfers emergency calls and will require additional staff and more substantial infrastructure upgrades; and
 - To comply with the proposed legislation, ECDs will be required to assume all of the cost of operating the emergency 911 system that is currently being assumed by other local governments.
- Based on information provided by DCI regarding the average cost other ECDs have experienced to convert to DDM, increased expenditures for the 54 ECDs are estimated as follows:
 - 52 ECDs will require an average one-time increase in expenditures of \$1,232 for infrastructure upgrades;
 - One ECD will require a one-time increase in expenditures of at least \$304,705 for infrastructure upgrades;
 - One ECD will require a one-time increase in expenditures of at least \$3,696 for infrastructure upgrades;
 - 52 ECDs will require an average recurring increase in expenditures of \$11,785 for service and maintenance;

- One ECD will require a recurring increase in expenditures of \$35,355 for service and maintenance;
- One ECD will require 30 additional staff persons at \$70,000 each for salary and benefits; and
- One ECD will require a recurring increase in expenditures of at least \$149,158 for staff training, service, and maintenance.
- Additionally, DCI estimates that beginning in FY23-24, there will be a recurring shift in local expenditures of \$72,830,789 due to ECDs assuming all of the cost of operating the emergency 911 system that is currently assumed by other local governments.
- The proposed language requires such ECDs utilize the DDM method for all emergency calls by January 1, 2024. One-time increases in local government expenditures are estimated to occur in FY23-24, with annual costs for service and maintenance beginning in FY24-25.
- One ECD has more than 300 employees. One-time increases in local government expenditures for this ECD are estimated to occur in FY24-25, with annual costs for service and maintenance beginning in FY25-26.
- The total mandatory increase in local government expenditures for FY23-24 is estimated to exceed \$2,468,769 [(\$1,232 x 52 ECDs) + \$304,705 + (\$70,000 salary and benefits x 30 positions)].
- The total mandatory increase in local government expenditures for FY24-25 is estimated to exceed \$2,865,674 [(\$11,785 x 52 ECDs) + \$3,696 + (\$70,000 salary and benefits x 30 positions) + \$149,158].
- The total mandatory increase in local government expenditures for FY25-26 and subsequent years is estimated to exceed \$2,897,333 [(\$11,785 x 52 ECDs) + \$35,355 + (\$70,000 salary and benefits x 30 positions) + \$149,158].

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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